With data, if you've got them, flaunt them

By Sarah Stiansen

Sure there's gold in cable advertising. The problem has been convincing the advertisers it's there, and how to find it.

But there are lots of entrepreneurs trying to come up with the winning ticket for striking it rich in cable—reliable audience assessment. The cable advertising market is expected to reach $225 million this year, compared with $5.6 billion in network tv, yet it still isn't enough to justify the more than two dozen ad-supported systems.

Of the four generic methods for measuring a broadcast audience—meters, diaries, recall telephone interviews and telephone coincidentals, when the viewer is simply asked what he or she is watching—each has its own set of problems and biases. Between cost effectiveness and credibility, the problems are compounded for measuring cable.

For one thing, there's the overwhelmed viewer to consider—one who isn't responding to tv the same way anymore.

But there has been a stampede into the research arena, with new and old organizations polishing up their cable techniques and producing what some see as informative and reliable data.

CAMS (Magazine, May 24), or Cable Advertising Methodology Study, is being conducted under the auspices of CAB/NCTA Research Standards Committee—Cabletelevision Advertising Bureau in New York, and the National Cable Television Assn. in Washington. According to Bruce Hoban, vp-director of research at Cabletelevision Advertising Bureau, it's the first good look taken at procedures used for cable ratings.

CAMS is due out early next year, and industry observers are awaiting it eagerly. The study's sponsors include heavyweights ABC-Video, Entertainment & Sports Programming Network, Group W Satellite, USA Cable, WarnerAmex and Cox Communications.

CAMS is testing seven methods—four diary, three telephone—against random phone interviews within the sample to determine which are most accurate. According to Mr. Hoban, up to now "research has assumed that measuring cable households is just like measuring noncable households, and the goal of the study is to establish statistically sound and affordable procedures."

But while CAMS is generally recognized in the industry as an important step in the documentation of cable audiences, not everyone has been waiting around for its appearance.

Bill Harvey, chairman of NEMS Inc., or New Electronic Media Sciences, said his company—a consortium of several research companies—is also grappling with the best and most affordable methods for cable ratings. According to Mr. Harvey, metering, the method used by Nielsen and Arbitron, will not be economically possible for large cable studies in this decade, and diary responses understate ratings.

Mr. Harvey, designer of the current model Arbitron tv and radio reports, inventor of Arbitron's Areas of Dominant Influence in 1966 and former chief analyst and co-designer of the Arbitron/VideoProbeIndex New Electronic Media Study, said the best method is coincidental phone calls. A simple one-minute conversation can produce a 90% cooperation rate. But this can be as expensive as metering, so Mr. Harvey wants to find a way to use Computafone—a patented system of computer-conducted telephone surveys—as a cheap alternative. (The system uses recorded interviews, asking viewers to respond by pressing certain digits on their phone.)

But this method too may have its pitfalls, according to Mr. Hoban. There is still a lot of investigation to be done into biases that may affect cable viewers' responses in phone interviews—as determined by whether they speak to a person or to a computer.

NEMS Inc. also publishes "Media Science Newsletter," widely subscribed to by large agencies, advertisers and cable companies, including ABC, American Express, Viacom, WarnerAmex, J. Walter Thompson, Young & Rubicam, ESPN and PepsiCo. It covers a range of topics, as well as recommendations for cable research. At this point, the company does not issue syndicated reports on cable viewing.

Meanwhile, the undisputed kingpins of audience research, A.C. Nielsen and Arbitron, have not been idle. Nielsen's main activity in research is its participation in the CAMS project.

For two weeks in June, Arbitron tested four methods of measuring viewer response in a single system, said David Lapovsky, director of research at Arbitron. The study compared a two-way cable system with Arbitron's standard diary and telephone surveys. Arbitron also provided viewers with a specially designed cable diary, including a roster of cable channels available in the test market to help them record viewing correctly.

Although Mr. Lapovsky would not name Arbitron's test market, he expects "we'll have something to say by June, 1983." When asked about the difference between Arbitron's recent attempts and the CAMS study, he emphasized Arbitron's interest in the broader tv research picture: "Our goal is not to test a measurement. It's to help us capture all usage of television."

Nielsen is also adjusting its methodology. A company spokesman said that Nielsen has added 100 houses to its 1,300 metered homes nationwide, and it is making plans to increase that sample size to 2,000. This is the first major change in Nielsen methodology in 30 years, and is designed to improve Nielsen's coverage of cable systems. Starting this month, the company is providing, on a quarterly sweep basis, market-by-market cable audience reports.

Another company expecting some superior results from a specialized diary is Beaufort, N.C.-based Marquest Media Services. Paul Rule, who was manager of marketing research services at Arbitron for four years and is currently president of Marquest, said the company plans to market syndicated local analysis reports similar to Nielsen reports or Arbitron Cable Advertising Market Profiles.

Founded this year, the company takes a sample from the market's core, phones households and records viewer descriptions of services received. The company then prints a personalized roster, listing only those channels the viewer subscribes to. The roster is included in the diaries, giving "lesser known channels an equal chance of being remembered," said Mr. Rule.

The first Marquest test study was conducted this spring in the Buffalo/Niagara Falls, N.Y. area, and the first "live" reports are expected to be available this fall in San Francisco/Oakland/San Jose; Hartford/New Haven/New Britain, Conn.; Tulsa, Okla.; Boise, Ida., and Tyler, Tex.

The reports will provide gross ratings for systems within those markets. Mr. Rule claimed that "the [test] diaries performed beautifully," and although he would not name his clients, said the response has been substantial thus far.

Marquest is also different in its approach to sample areas. Mr. Rule believes, along with Mr. Hoban of the cable bureau, that a lack of established procedures in cable research has often stemmed from treating cable as just another broadcast medium.

"This is really a different geographical market—it's not a signal sent out over the air," he said. "It's not an ADI. It's an area defined by franchises and interconnects. The geography is more like that of newspapers. The advertiser can stop his message at the county line."

Another company that has been successful in selling its cable research is Statistical Research Inc. (SRI), a Westfield, N.J.-based market research company, which has produced network radio assessments since 1972. Recently, SRI released its first nonproprietary cable study.

Gale Metzger, president of SRI, said the report is "not an audience study," but focuses on what he called the "whys of cable . . . to provide information about where cable is going."

The study, like Marquest's, focused on viewing patterns of cable households only. Using responses to phone interviews, the study answers questions about cable users' expectations of their services, cost and perceived value, services not subscribed to, ad-supported services viewed and reactions to commercials. Mr. Metzger said "18 of the top 20 agencies" have picked it up.

An equally strong claim to success is made by Chicago's Information Resources Inc. (IRI). Operating a system dubbed BehaviorScan, the company provides information about the effect of cable ads on consumers. According to Gerry Eskin, vice-chairman of IRI, "80% to 90% of the Fortune 500's food and drug manufacturers are our clients."

Because IRI knows what ads were aired while test sets were tuned to particular channels, correlations between ads viewed and products purchased can be tallied.

The distinction between what a viewer sees and what a viewer pays attention to is also the compelling premise behind the research of a Cambridge, Mass.-based research company, Television Audience Assessments (TAA).

A nonprofit company that began in 1980, TAA expects to release a study entitled "Viewing Television: Audience Response" in December or January. Sponsors include Home Box Office, USA Network, Group W, ESPN and WarnerAmex. The bygone CBS Cable was also an original sponsor, and Elizabeth Roberts, president of TAA, said that the parent company, CBS Inc., has continued to contribute to the project.

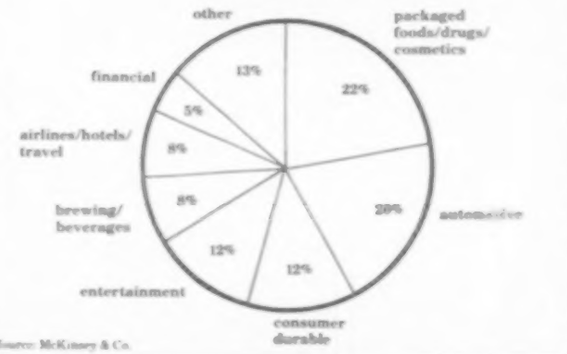
Traditional ratings, she said, can be misleading, and so the TAA report has been designed to complement gross ratings, which she is convinced will always be important in selling ads. By providing a diary to viewers and asking that it be submitted every day, the report has uncovered some interesting facts about users in today's "multichannel environment."

A preliminary report, released in October, shows some of the ways in which "viewers are changing . . . which programs they pay attention to, which they value," she said. And that information may surprise advertisers who base their tv buys on gross ratings.

The study has confronted a suspicion of some advertisers—even if viewer sets are left on all evening, they may just be ignored. In many households, a tv is little more than a "talking lamp," Ms. Roberts said. When TAA phoned its preliminary cable sample, only 14% of viewers were watching either a pay or nonnetwork service. That kind of documentation may cure lots of media buyers' headaches and create some for cable companies themselves. ■

Sarah Stiansen is a Magazine staff intern and has helped coordinate Advertising Age's *profile issues.*

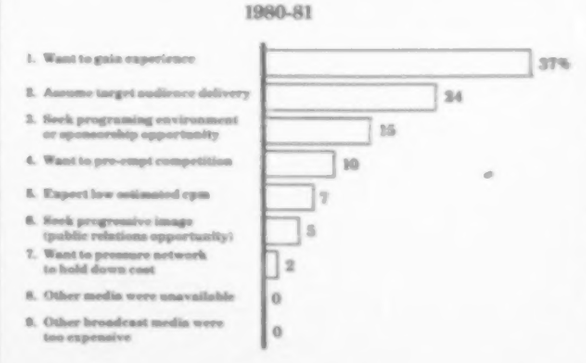
Distribution of network cable advertisers by industry group
1980-81



Source: McKinsey & Co.

Advertising motivation of clients
Per cent share of over-all points awarded for importance

1980-81


1. Want to gain experience 37%
2. Assume target audience delivery 24
3. Seek programing environment or sponsorship opportunity 15
4. Want to pre-empt competition 10
5. Expect low estimated cpm 7
6. Seek progressive image (public relations opportunity) 5
7. Want to pressure network to hold down cost 2
8. Other media were unavailable 0
9. Other broadcast media were too expensive 0

Source: McKinsey & Co.

European market a tougher grind, Wendy's learns

By JASPER BECKER

BRUSSELS—The race to gain shares of the fast-food market in Europe, long a bonanza for U.S. marketers, is getting tougher, and the latest victim is Wendy's International.

Wendy's is shutting down its five outlets in Belgium, after less than three years in the market, because its U.S. partner, J.C. Penney, decided the outlets were not meeting a "hurdle rate," or set of financial criteria, according to Edward Lifmann, international managing director for Wendy's.

He said there are no plans to reenter the market. "The impact of this is very limited," said Mr. Lifmann. The Belgian market will be worth about $60 million by 1987, according to sources..

This setback comes on the heels of the huge, Swiss-based Wienerwald group going into receivership in August, and a slowdown in plans of other fast-food marketers to expand in Britain because of lack of main street sites.

As for Penney, it took on the Wendy's franchise to compete against rival retailers and because "we have a similar, high-quality product and concept," says Bernard Gerson, manager of finance and administration at Penney's European headquarters.

But when poor results started coming in while the cost incurred in getting out was still small, Penney's made its move. Penney's only European retail operation is in Belgium, where it is the country's second-largest retailer. But because of depressed European economies it has closed seven stores since the beginning of the year and is holding off on plans to expand throughout Europe.

Mr. Lifmann says the combination of a devaluation of the currency and a price freeze that prevented Wendy's from recouping cost increases largely caused the poor results in Belgium.

Using Dancer Fitzgerald Sample's agency in Belgium, DFS/McCredie, Wendy's positioned itself several different ways in an attempt to find the right formula. Initial campaigns from New York showed the "bigger, juicier" Wendy's burger, but "there was not the same appreciation for better food and pleasanter ambiance because the Belgian fast-food market is still essentially restricted to teen agers," said Mr. Gerson.

Last July Wendy's cut prices, reduced the burger size and redecorated its restaurants. But nothing, not even 15,000 free coupons, could cut into the lead of McDonald's over a local chain, GB-Quick. In retaliation, McDonald's also cut its prices.

In the rest of Europe, Wendy's has had some rocky beginnings. In 1980, John Rollo quit as chief of European marketing for Wendy's and went back to Burger King. Just this August, George McKeown was appointed new European marketing coordinator.

Wendy's has also gone through different partners. In the U.K., it started out with Grand Metropolitan's Berni Inns subsidiary, but Grand Met pulled out of the deal in December, 1980, two weeks after the first outlet opened on Oxford Street. Grand Met now has its own fast-food chain—Huckleberrys.

In Germany, Wendy's has a joint-venture agreement with $1.25 billion baking powder and food giant, Dr. Oetker, for most of Wendy's 14 restaurants. Six more restaurants are on the drawing boards.

Wendy's targeting the upper end of the fast-food consumer market has worked better in some places than others. In Switzerland, Wendy's has 10 shops and plans to add 10 more starting in mid-1983. After a slow start in which "we tried to follow the U.S. a little too much when we started, but now we've gone back to basics," says Bob Nugent, managing director of Weneco, Wendy's Geneva-based holding company, the company is now growing 20% a year in sales.

To counter criticisms that the marketer does not "localize" its marketing the way McDonald's, for example, does, Rainer Geffcken, account director for McCann-Erickson, which handles Wendy's in Switzerland, points out that the U.S. tag line, "hot and juicy," was changed because it doesn't translate well in French. So in French-speaking Switzerland, McCann has rendered the line *Tout bon, tout grand*, or "real good and real big." In the German-speaking part, it is *Gross und saftig*, or "big and juicy."

In Spain, Wendy's ranks second to Burger King, with McDonald's a distant third, largely because it has targeted consumers between 14 and 24 years old who make up 80% of the fast-food market. Wendy's has six outlets in Spain and plans another three next year #

Contributing to this story: Dagmar Mussey, Duesseldorf; Howard Sharman, London; Sarah Nicholson, Madrid; Bruce Vandervort, Geneva.

FLASH REPORT: Newspaper advertising investment for August

AUGUST 1982 CATEGORIES	YEAR	DOLLARS 1982	DOLLARS 1981	CHANGE ACTUAL $ G OR L	CHANGE % G OR L
Department stores	1982	$58,162,955	$50,701,933	+7,461,022	+14.7
	1981				
Food stores	1982	18,132,071	16,081,792	+2,050,279	+12.7
	1981				
Radio, tv, phonographs, records	1982	8,145,392	6,724,363	+1,421,029	+21.1
	1981				
Alcoholic beverages	1982	1,224,061	1,117,973	+106,088	+9.5
	1981				
Cameras, photo supplies & services	1982	225,337	211,230	+14,107	+6.7
	1981				
Beverages: coffee and tea	1982	95,939	271,429	-175,490	-64.7
	1981				
Beverages: soft drinks, diet/non diet	1982	236,195	261,811	-25,616	-9.8
	1981				
Soaps, cleansers & polishes	1982	124,385	129,220	-4,835	-3.7
	1981				
Cold, cough & sinus remedies	1982	12,759	0	+12,759	++
	1981				
Headache remedies & sedatives	1982	0	0	0	0
	1981				
Publishing & media	1982	5,312,545	4,457,572	+854,973	+19.2
	1981				
Sporting & Leisure time equipment	1982	754,062	170,410	+583,652	+342.5
	1981				
Cigarettes	1982	6,047,430	6,194,374	-146,944	-2.4
	1981				
Cosmetics, makeup & manicure products	1982	253,784	108,460	+145,324	+134.0
	1981				
Airlines	1982	4,734,890	5,264,922	-530,032	-10.1
	1981				
Passenger cars-new	1982	8,330,623	8,401,037	-70,414	-0.8
	1981				

This Flash Report of newspaper advertiser investment, compiled for Advertising Age by Media Records, is derived from tabulations that cover 33 dailies and 25 Sunday editions in 14 cities. Atlanta, Baltimore, Boston, Chicago, Cleveland, Dallas, Denver, Los Angeles, Miami, New York, Philadelphia, Pittsburgh, San Francisco and Washington. The *Washington Star* ceased publication Aug. 7, 1981, and so, for comparability, has been excluded from this report. #

Source: Media Records Inc.

Sports, leisure equipment top ad spending

NEW YORK—Sporting and leisure-time equipment showed the largest percentage gain in newspaper advertising spending for August, a month in which nine of 16 measured categories registered increases, according to the figures from Media Records.

Ad spending for sporting and leisure-time equipment was up 342% to $754,000, followed by cosmetics, makeup and manicure products, up 134% to $254,000, and radio, tv, phonographs and records, up 21% to $8.1 million.

Coffee and tea recorded the greatest percentage drop for the month, down 65% to $96,000, while airlines were down 10% to $4.7 million, and soft drink beverages were down 10% to $236,000.

This Flash Report of newspaper advertiser investment, compiled for ADVERTISING AGE by Media Records Inc., is derived from tabulations covering 33 dailies and 25 Sunday editions in 14 cities—Atlanta, Baltimore, Boston, Chicago, Cleveland, Dallas, Denver, Los Angeles, Miami, New York, Philadelphia, Pittsburgh, San Francisco and Washington.#

Albuquerque paper starts

ALBUQUERQUE—The first edition of the *New Mexico Sun*, a semiweekly newspaper, debuted here Nov. 7.

Initially, the tabloid/broadsheet newspaper is being distributed free to 100,000 area residents. Within several weeks, the newspaper plans to begin conversion to paid subscription.

The *New Mexico Sun* is a property of Meredith Corp., Des Moines.

Didier Raven, former ad director of the *Santa Fe Reporter*, is publisher of the new paper and Martin Gerber, former managing editor of the *Herald*, Everett, Wash., is editor.

"Albuquerque needs another newspaper," Mr. Raven said. "In a market area of 162,000 households, the *Albuquerque Journal* and the *Tribune* don't have a combined penetration of 50% of the homes, so there's plenty of room for us out there."

The *Journal's* morning home delivery now is going to 31.1% of the market, while the *Tribune's* afternoon delivery has a penetration of 14.6%, making a combined market penetration of 45.1%, according to Mr. Raven.

The news sections of the *Sun* are printed tabloid size. Page ads in that section sell for $1,800.

Page ads in the inserted broadsheet sections of the newspaper cost $900.

Promotion for the *Sun* is being handled by Rick Johnson & Co., and includes tv, radio and outdoor.#

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I'd like to increase our market share. Please send me your media kit with details on in-theatre poster advertising.

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It's your "Daily Billboard" on the buyer's desk

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Compare it with today's cost of one sales call, or even a gallon of gas. For 85¢ per month, per name, you get more "sales mileage" the SATIRE way.
Contact SATIRE, INC., P.O. Box 39758, Los Angeles, CA 90039, 213/666-7338.

C2710-1 11/24/82

'Economist' lures U.S. elite See Magazine

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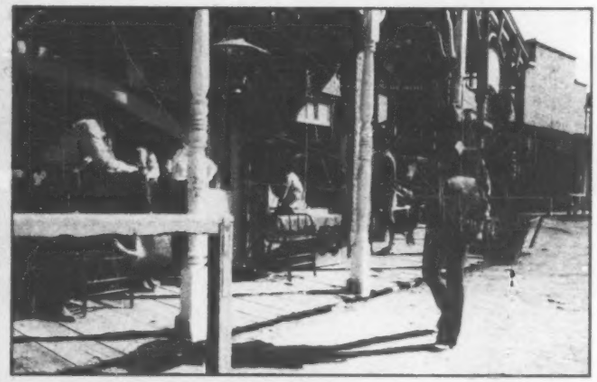
$1.25 a copy; $50 a year | The International Newspaper of Marketing • In Two Sections, Section 1. | November 22, 1982



Pepper fight

"High Noon" set is used for spot for Pepper Free caffeine-free drink. Cowboy strolling into town says he's got "something real sassy" in his knapsack. He's warned that "this here's a Pepper town," but after trying it the sheriff says, "there's always room for a new Pepper in town." The spots, from Young & Rubicam, break in test markets next January.
(See story on Page 3.)

Audience slippage cited

P&G to nets: Help cut costs

By CRAIG REISS

NEW YORK—Top-level executives of the three broadcast networks, responding to a written request from the head of their single biggest advertiser, Procter & Gamble, have held face-to-face discussions with the Cincinnati marketer's top management on the future cost-effectiveness of network tv.

The meetings with the P&G executives, which followed this year's record upfront market rate increases, gave all parties a chance to explain their positions and to hammer out ways the networks and P&G could work together to hold the line on network costs for the next five to 10 years.

For the first time ever, P&G's president-chief executive officer John Smale, accompanied by vp-advertising Robert Goldstein and other key advertising and marketing executives, visited network offices here for discussions. The P&G contingent met one morning with CBS executives, including James Rosenfield, exec vp, CBS Broadcast Group; at noon with NBC's chairman-chief executive officer Grant Tinker, president Robert Mulholland, group exec vp Ray Timothy and vice-chairman Irwin Segelstein, and in the afternoon with ABC chairman-ceo Leonard Goldenson, exec vp Frederick Pierce, network president James Duffy, president John Severino of the ABC Television division and network sales chief Jake Keever.

According to network sources, Mr. Smale and his associates did not attempt to influence current ad rates set by the nets. Instead, the sources said, Mr. Smale asked the networks to work with the company to develop cooperative means for keeping network overhead manageable and advertising prices cost-efficient and viable for P&G.

(Continued on Page 52)

Harried but hopeful nets sell NFL again

By JAMES P. FORKAN

NEW YORK—After weeks of making-do with substitute programing and make-goods for National Football League advertisers, tv network sports sales teams last week frantically scrambled to sell out the strike-truncated NFL season.

The salesmen went from wrapping up the Nov. 21 and 22 NFL coverage to selling availabilities in December pigskin telecasts. Next, the networks will rush into selling January's revamped, crowded post-season playoff package.

But the sales execs were also looking over their shoulders at significant player resentment of the new contract, hoping it will not lead to a resumption of the strike. Assuming the players ratify the contract this week, the season will total nine weeks, including the two before the strike began Sept. 21. A Jan. 2-3 weekend has been added to the regular season. Playoffs, involving eight teams in each conference, will span three weekends, starting Jan. 8-9. The Super Bowl stays put at Jan. 30.

Surveying the damages after seven lost weekends, network executives estimated they had grossed perhaps $50 million from substitute programing instead of the $150 million that the NFL coverage would have tallied. There are no plans to increase commercial time within the NFL telecasts, the tv networks insist.

ABC expects to break even with the skeleton season of Monday night games, said ABC Television president John C. Severino. However, he estimated all three networks have lost $7 million in advertising revenues as a result of the strike.

"But the advertising revenues lost, in our case from broadcasting movies instead of football Monday nights, is offset by the rights we didn't have to pay for the games that were never played," Mr. Severino said. The networks generally would have paid an estimated $15 million weekly for football broadcast rights.

"The strike will have no bottom-line effect on us, but it did affect our ratings. We figure we lost a ratings point each week. If you look at the season-to-date figures, CBS has averaged an 18.1 rating in prime time and ABC a 16.5. CBS would have lost a little of that rating and w. would have gained about a point if we had been broadcasting football on Monday nights so far this season, which would have put us in a dead heat right now," he said.

Tv rights payments, which were withheld starting with the Nov. 1 instalment due to the strike, soon will resume; about $110 million was paid up to that point. Still, network sources said, some degree of

(Continued on Page 52)

Three agencies vie for up to $50 million

Kodak to join int'l accounts

By GAY JERVEY

In its ongoing effort to "make this elephant dance," Eastman Kodak Co. has put as much as $50 million worth of international business up for grabs. The company's three major multinational agencies—Young & Rubicam, McCann-Erickson and longtime partner J. Walter Thompson Co.—are the contenders, with a score of smaller, local agencies the losers.

According to a Kodak spokesman, the move affects only foreign ads for consumer products and film. He also confirmed that those agencies losing Kodak business were given the bad news on Nov. 8, but would not reveal either who or how many there were. He also stressed that some of the departees would be retained for the commercial and industrial products business. Kodak currently employs over 40 agencies internationally.

The amount of business involved could be as low as $30 million and as high as $50 million, depending on how much above and below the line is included. "We are in the process of consolidating our consumer products and film advertising on a worldwide basis," the spokesman continued. "The move is consistent with the company's over-all goal to strengthen and better coordinate market share around the globe."

Well-placed sources say the review involves eight countries—notably where none of its three major agencies has any Kodak business currently. The contenders will make their presentations next month, with a decision forthcoming in January, sources said. The Kodak spokesman said any

(Continued on Page 50)

AA
DC2001ACONGLI FMJE M
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

last minute news

Sears to break image campaign in January

CHICAGO—Sears, Roebuck & Co. will break a corporate image campaign in January that will showcase the retail giant's total merchandising and financial operations, including broker Dean Witter Financial Group and real estate company Coldwell Banker. Foote, Cone & Belding handles.

Dannon assigns special project to Compton

NEW YORK—Dannon Milk Products has assigned an undisclosed special project to Compton Advertising. The assignment does not affect Dannon's relationship with Marsteller, a company official said.

GF pulls back on daytime network tv spending

WHITE PLAINS, N.Y.—General Foods has decided against taking multi-million-dollar options for first-quarter daytime net tv buys. By way of explanation, GF told net tv execs GF is "going for maximum profits."

Max Factor plans new 'romantic' fragrance line

HOLLYWOOD—Max Factor & Co. plans a February introduction for a floral-packaged, mass-market line of "romantic" fragrances called le Jardin de Max Factor. Actress Jane Seymour will appear in the estimated $6 million campaign. WRG handles.

(Continued on Page 8)